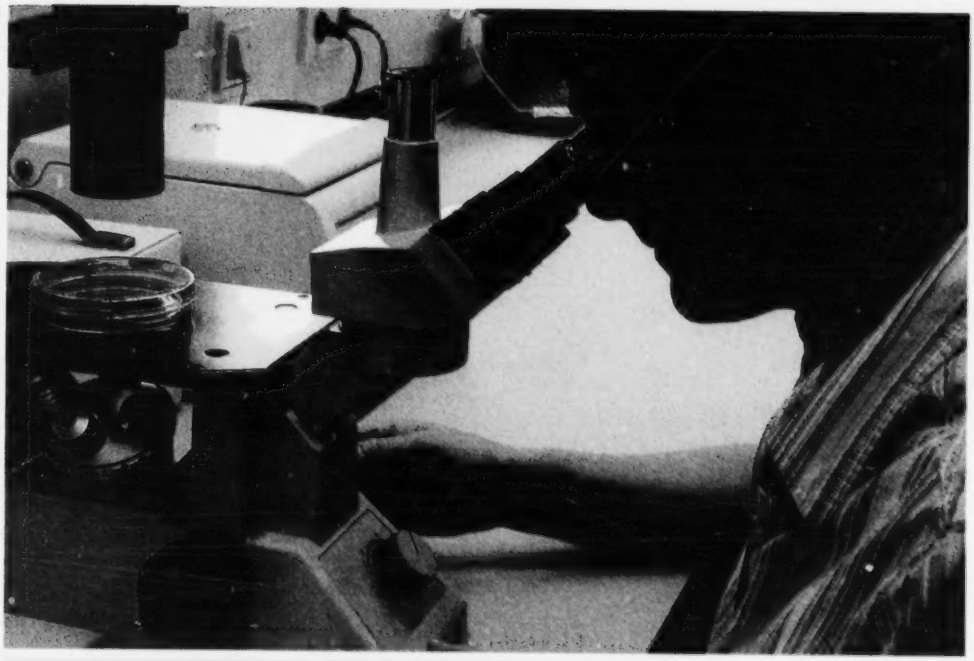
Ontario

Agency for Health Protection and Promotion

Agence de protection et de promotion de la santé



Annual Report

2008-09

Ministry of Health and Long-Term Care

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Ontario

Following the outbreak of SARS in the spring of 2003, the Ministry of Health and Long-Term Care launched *Operation Health Protection*. This was the government's response to recommendations from a number of reports on how to improve public health in the province.

Public health renewal and the creation of a new public health agency were priority areas for the plan and the inaugural annual report from the Ontario Agency for Health Protection and Promotion (OAHPP) is another achievement in helping to improve the public health system.

As a result of increased investments made in public health, a number of key accomplishments of Operation Health Protection will now benefit all Ontarians. These include the creation of the OAHPP and investments made in the renewal of the Ontario Public Health Laboratories which are now an integral part of the OAHPP. I am confident our public health system will only continue to improve.

On your behalf, I would like to thank the staff of the OAHPP for their commitment to public health improvement and the protection of the health of all Ontarians.

Sincerely,

David Caplan
Minister

1671-01 (2008/06)

7530-4658

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Message from the chair and vice-chair

> The establishment of the Ontario Agency for Health Protection and Promotion (OAHPP) serves to underscore the significant role that public health plays in a strong health system, and marks a milestone in the rebuilding of public health in Ontario.

The sustainability of Ontario's health system is in jeopardy. Preventable chronic and infectious diseases continue to plague our population. Environmental and occupational hazards constitute a major source of health concern in Ontario. The ability of our health system to respond to emergencies has been tested. In short, we have an opportunity to serve the people of Ontario better.

Preventing disease through the promotion of healthy lifestyles, behaviours and environments is critical to building a more sustainable future for the health of Ontarians, and public health information, knowledge and support are key contributors to population health improvement. Whether it is through timely laboratory test results or enhanced emergency response capacity, the promotion of hygiene to prevent and reduce infectious disease impacts, the improvement of our environment, or research on health inequities in vulnerable populations, OAHPP is taking its place in Ontario's public health landscape to strengthen our collective health system capacity.

Ontario's wake-up call came from a series of outbreaks that hit in the early part of this decade, including Walkerton E. coli, legionnaires' disease and severe acute respiratory syndrome (SARS). Through these outbreaks, the public health system's inadequacies and challenges were highlighted and recognized. It is to the government's credit that it did not settle for a quick fix. Instead, it invested the time and expertise needed to plan a progressive and sustainable approach to public health renewal, including the creation of the Ontario Agency for Health Protection and Promotion.

The government presented us with a vision for an internationally recognized centre of expertise that would protect and promote the health of Ontarians through the application and advancement of science and knowledge. It's early days for us, but already we have accomplished much.

In our start-up year, we worked to build a sustainable organization dedicated to ensuring a bright future for the health of Ontario. We laid a strong foundation of governance, accountability and leadership; established an organizational infrastructure with the strength and flexibility to support our work; developed a Strategic Planning Framework and Start-Up Operational Plan; accepted and managed the transfer of the Ontario Public Health Laboratories from the Ministry of Health and Long-Term Care; and began to deliver on our mandate by providing support and expertise to local and provincial public health partners. In short, we've demonstrated success in responding with a timeliness and credibility that achieves results for Ontario's public and their health system.

Moving forward, we will strive to make further progress through a balanced approach to public health in Ontario. We will ensure that health protection occurs alongside health promotion. We will help to both apply and advance knowledge. We will use evidence and we will innovate. And we will ensure that we serve the needs of Ontario's front-line health workers while keeping an eye on the big picture. These are lofty goals, and they will only be made possible through mutual co-operation and partnership with the many organizations in Ontario that already bring strength and value to our health system.

We are grateful to the Agency Implementation Task Force for its tremendous insight and guidance, the Ministry of Health and Long-Term Care for its support and partnership, our academic and research partners for their expertise and collaboration, and our staff, who bring remarkable skills and energy to everything we do.

This inaugural annual report reflects the activities of OAHPP during its first official year of operations, from April 1, 2008 to March 31, 2009. It monitors our progress against the plans set out for us by our Agency Implementation Task Force, and the subsequent legislation and Memorandum of Understanding with the Ministry of Health and Long-Term Care.

We are proud to be part of the transformation of Ontario's health system as we work with our partners towards our vision of protecting and promoting the health of all Ontarians.

Dr. David M.C. Walker
Chair, Board of Directors

Dr. Terrence Sullivan
Vice-Chair, Board of Directors

Overview of the Ontario Agency for Health Protection and Promotion

OAHPP was created by the Government of Ontario through the Ontario Agency for Health Protection and Promotion Act, enacted in the summer of 2007. It is an operational service agency governed by a board of directors of up to 13 members appointed by the lieutenant governor-in-council, with a chair selected by the members. The founding Board of Directors held its first meeting in September 2007. The president and chief executive officer was appointed in March 2008 and took on that role in July 2008. Through its chair, OAHPP is accountable to the minister of health and long-term care, and has close linkages to the chief medical officer of health. A Memorandum of Understanding and annual Funding Accountability Agreement outline OAHPP's and the Ministry of Health and Long-Term Care's accountabilities, and a Joint Liaison Committee provides the primary forum to address issues of mutual interest.

Vision, mission and mandate

VISION: We will be an internationally recognized centre of expertise dedicated to protecting and promoting the health of all Ontarians through the application and advancement of science and knowledge.

MISSION: We are accountable to support health-care providers, the public health system and partner ministries in making informed decisions and taking informed action to improve the health and security of all Ontarians, through the transparent and timely provision of credible scientific advice and practical tools.

MANDATE: To provide scientific and technical advice for those working to protect and promote the health of Ontarians.

Values:

- **CREDIBLE:** We will strive to produce well-researched and high-quality products based upon the best available research and information.

- **RESPONSIVE:** We exist to help address the real needs of those within the system who provide care, and who work daily to protect and promote the health of the public. To that end, we will strive to be responsive to the emergent needs and priorities of our partners and clients.

- **RELEVANT:** We will provide information, advice and support that is not only scientifically accurate but also useful, timely, relevant and in a format and manner that helps people respond to and address real issues.

- **INNOVATIVE:** We will work with others to create solutions and partnerships that go beyond the traditional boundaries of institutions and sectors and seek new approaches to bridging research and practice, science and context.

- **COLLABORATIVE:** We cannot succeed separate and apart from the public health, health-care and research communities of which we are a part. Our contribution will be advanced most effectively as a collaborator and trusted partner contributing to, advancing and acknowledging the work of others.

- **BALANCED:** Our mandate is broad and we will strive to meet the needs of many stakeholders. Our ongoing strategic planning will require us to approach our growth with a balanced perspective:

  - between field and provincially identified priorities
  - between the health protection and health promotion components of the mandate
  - between the advancement and application of knowledge
  - between using proven methods of intervention and providing leadership in new innovative methods

Objectives and accomplishments

During 2008-09, OAHPP has been putting the fundamental building blocks of our organization in place. We've built a solid foundation of governance, accountability and leadership to provide oversight and direction, supported by business systems and processes to deliver and enable our work. The transfer of the Ontario Public Health Laboratories from the Ministry of Health and Long-Term Care was accomplished with support from a Ministry-OAHPP Transition Team. We developed a Strategic Planning Framework and Start-Up Operational Plan with our stakeholders. As we built the core organization, we were able to begin to deliver on our mandate in many areas, including surveillance and epidemiology and infectious diseases.

Governance, accountability and leadership

Building a leadership team supported by strong oversight and governance has been a key focus in our first year. The founding Board of Directors was appointed in the summer of 2007 and began meeting that September. A special Chief Executive Officer Recruitment Subcommittee was established to lead a comprehensive and international recruitment process, generating an outstanding response from public health and health-care leaders around the world. Vivek Goel was announced as president and chief executive officer in March 2008 and began his tenure on July 1, 2008.

We are proud of the outstanding skills and expertise of the individuals who have been appointed to our Board of Directors. Chaired by David M.C. Walker, they bring depth, experience and multiple competencies to our organization. In November 2008, standing committees on governance, strategic planning, and audit and finance were struck as per legislative requirements. In addition, the board has established clear mechanisms, structures and policies to ensure strong governance, accountability and transparency, including:

- Policies and guidelines on conflict of interest, privacy and intellectual property.
- Bylaws relating to the transaction of the business and affairs of OAHPP and the committees of the board.
- Approval of the Memorandum of Understanding, Funding Accountability Agreement and Ontario Public Health Laboratories Transfer Agreement, which define our relationship with and accountabilities to the Government of Ontario.
- Approval of the 2009-10 OAHPP Business Plan and oversight of the strategic planning process.
- Recommendations regarding recruitment of additional board members.

Activities in our first year of operations have been informed by the following foundational documents:

- **Agency Implementation Task Force Final Report - March 2006**
- **Ontario Agency for Health Protection and Promotion Act, 2007**
- **Memorandum of Understanding and Funding Accountability Agreement with the Ministry of Health and Long-Term Care - August 2008**
- **Ontario Public Health Laboratories Transfer Agreement - November 2008**

Most of the senior leadership team is in place, including Goel; Denise Arsenault, vice-president and chief administrative officer; Sonya Corkum, vice-president of Knowledge Exchange and Communications and Phil Jackson, vice-president of Strategy and Planning. The recruitment of a vice-president responsible for scientific and public health operations is planned for the next fiscal year. The senior leaders are building their teams and areas of responsibility based on our 2009-10 Business Plan and Strategic Planning Framework and Start-Up Operational Plan.

To maintain strong partnerships with academic and research partners, the staffing model incorporates cross-appointments and exchanges. This has begun with the cross-appointment of many of our scientists and researchers with partners at universities and hospitals.

As recommended by the Agency Implementation Task Force, our organizational structure is built on a matrix approach. It is designed to support interaction and cross-pollination between and among multidisciplinary teams working across various areas of technical and scientific specialization (laboratory; infectious disease prevention and control; health promotion, chronic disease and injury prevention; and environmental and occupational health) with more service-oriented functions required by technical and scientific areas (surveillance and epidemiology; research; and knowledge exchange). Functions like Emergency Management Support and Knowledge Exchange and Communications span across the organization, along with corporate services like Human Resources, Information Technology, Finance and Facilities. Our goal is to reflect our values through a co-operative, responsive environment based on shared expertise and collaboration across the organization.

Building the foundation: Organizational supports and processes

Our start-up operations have focused on establishing an efficient, effective and responsive infrastructure to support our organization today and in the future. This includes processes, policies, guidelines, systems and technologies. Key accomplishments include a robust human resources function to support recruitment, hiring, the transfer of the Ontario Public Health Laboratories, compensation strategies, pension and benefits programs, and a labour relations framework; facilities support for our corporate offices and 12 laboratory facilities; back-office systems for procurement, payroll and financial management; insurance; timely, accurate and transparent financial reporting and accountability mechanisms; and strong information technology services and support.

Transfer of the Ontario Public Health Laboratories

On December 15, 2008 the responsibility for the Ontario Public Health Laboratories transferred from the Ministry of Health and Long-Term Care to OAHPP. OAHPP is now responsible for operating one of the largest public health laboratory systems in North America, with over 600 employees, a central lab in Toronto and 11 regional laboratories located in Windsor, London, Hamilton, Thunder Bay, Timmins, Sault Ste. Marie, Sudbury, Orillia, Peterborough, Ottawa and Kingston. Thanks to the efforts of the Ministry of Health and Long-Term Care and Laboratory Transfer Transition Team, the planning, negotiation and implementation of the transfer was smooth and successful, with minimal impact to stakeholders or business operations.

The network of public health laboratories in Ontario is an essential part of Ontario's public health system. The laboratories perform millions of tests annually, a majority of which are clinical tests for the diagnosis of infectious and communicable diseases such as legionnaires' disease, hepatitis, influenza and West Nile virus. We also conduct all clinical testing for HIV and syphilis in Ontario and operate one of the largest tuberculosis laboratories in North America.

Laboratory services provided by OAHPP include:

- Clinical and environmental testing services for infectious diseases, particularly where expertise and/or enhanced biohazardous containment is required.
- Expert infectious disease advice on clinical microbiology and related public health issues through consultative, educational and advisory services.
- Research in support of public health in collaboration with provincial, national and international organizations and academic institutions.

The transfer of the Ontario Public Health Laboratories to OAHPP represents the next phase in ongoing efforts to renew Ontario's public health laboratories. As Dr. Sheela Basrur, Ontario's former chief medical officer of health, observed in her 2005 report to the legislature, "the best and possibly only hope for public health laboratory renewal lies in Ontario's commitment to create a provincial public health agency." The transfer strengthens laboratory capabilities in the province by improving the synthesis of data to inform surveillance, epidemiology, research and analysis.

Laboratory renewal began under the Ministry of Health and Long-Term Care and continues with the recruitment of additional highly skilled medical microbiologists and scientists, investment in new equipment and further implementation of a comprehensive laboratory information system and other initiatives to improve service levels, turnaround time and information management capabilities. Since the December 15, 2008 transfer, key indicators of laboratory performance, including measurements of quality, turnaround times, productivity and efficiency, customer satisfaction, employee performance, and employee certification and credentials, have been maintained.

With a large testing base, OAHPP laboratories have great potential for increased knowledge generation that will work to enhance the health of Ontarians, reduce health-care costs, and generate innovative economic activity.

Delivering on our mandate

While we set about to building our new organization, we also committed to begin delivering on our mandate of support and response. During our first year of operations, our Infection Control Resource Teams, in place for barely five months, were deployed at the request of the chief medical officer of health to advise on three hospital outbreaks; our epidemiologists were dispatched to provide direct on-site epidemiological support for a major E. coli outbreak; we provided scientific information to support anti-fluoridation issues; our clinical team developed guidelines for all Ontario physicians on the diagnosis and treatment of Listeria monocytogenes; OAHPP laboratories continued to perform laboratory testing and provide test information to assist with numerous outbreaks and investigations across the province; OAHPP epidemiologists began work on standards for surveillance for childhood obesity; the OAHPP Emergency Management Support Team began

to work with the province and municipalities on integrated, effective emergency preparedness and response; and we provided other support and advice to local public health and partner ministries.

OAHPP is envisioned to be a hub organization. It cannot achieve the outcomes inherent in its objectives by working on its own. In carrying out our mission and, more specifically, the activities described above, we will seek to actively engage with partners in government, local public health, the health-care system, the not-for-profit sector, industry and academia. We recognize that there are many areas of strength in public health in Ontario, at all levels of the system. Rather than seeking to duplicate or compete with those strengths, we will seek to develop partnerships where we are aligned towards common goals, consistent with our value of collaboration. As outlined earlier, these various types of affiliations and collaborations will ensure that the mandate of OAHPP is fulfilled in support of public health renewal in Ontario.

A significant aspect of our partnership strategy in the next three years revolves around system alignment with existing public health networks, such as the Regional Infection Control Networks, the Provincial Infectious Disease Advisory Committee, Public Health Research, Education and Development and the Ontario Health Promotion Resource System. These existing networks, along with our network of regional laboratories, enable us to create a hub-and-spoke model of networking across the province to engage with and support our public health partners.

Our researchers, scientists and staff have been actively publishing, presenting and collaborating with our many partners, including public health units, partner ministries, health providers and the broader health-care system, non-governmental organizations and others in the community engaged in health promotion and protection, and academic institutions and research institutes.

Plans are underway for outreach and education on public health under the auspices of the Sheela Basrur Centre, which honours the legacy of the late chief medical officer of health and champion of public health renewal in Ontario. This centre has been created in partnership with a number of Ontario public health stakeholders. The mission of the Sheela Basrur Centre is to strengthen the capabilities, knowledge and expertise of public health professionals and to educate the public on key strategies to promote health. Its outreach initiatives include educational events and professional development initiatives in support of public health renewal and leadership in Ontario.

Looking ahead

In December 2008, the Board of Directors approved OAHPP's first Strategic Planning Framework and Start-Up Operational Plan. To help establish the initial strategic planning framework, numerous consultations took place with OAHPP partners and stakeholders. Further consultation across the province is underway to inform the 2010-13 OAHPP Strategic Plan, to be delivered in the summer of 2009.

As we reflect on our first year, the planning and work we have done confirms our main goal: to enable better public health policy and practice by our partners to improve the health of Ontarians and reduce inequities in health. We now have the opportunity to further define and clarify the steps we will take as we move forward as a successful collaborative partner in support of better decisions and actions for better public health in Ontario. A healthier Ontario is possible where:

- fewer people smoke
- more people, especially children, have healthier body weight
- infectious diseases are more efficiently controlled
- safe communities and workplaces thrive
- there is greater prevention and early detection of chronic diseases

A core ingredient is a strong and robust public health system that is fully integrated within the overall health system and informed by sound scientific evidence and technical support. As it ends its first year of operations, OAHPP is well positioned to help its partners make a healthier Ontario a reality.

In the months following the end of the 2008-09 fiscal year we have seen the emergence of a novel H1N1 influenza virus, which the World Health Organization has characterized as a pandemic. Even though we remain in start-up mode, we have assisted the chief medical officer of health in the Ontario response to this outbreak. Our efforts have positioned Ontario as a national and global leader in the response to the virus.

Our challenge, as always, in the case for public health will be maintaining our focus on our long-term vision, and ensuring that we achieve the breadth of our mandate while also addressing the immediate challenges.

Ontario Agency for Health Protection and Promotion objects

Our objects set out in the *Ontario Agency for Health Protection and Promotion Act:*

a) to provide scientific and technical advice and support to the health-care system and the Government of Ontario in order to protect and promote the health of Ontarians and reduce health inequities

b) to develop, disseminate and advance public health knowledge, best practices and research in the areas of population health assessment, infectious diseases, health promotion, chronic diseases, injury prevention and environmental health

c) to inform and contribute to policy development processes across sectors of the health-care system and within the Government of Ontario through advice and impact analysis of public health issues

d) to develop, collect, use, analyze and disclose data, including population health, surveillance and epidemiological data, across sectors, including human health, environmental, animal, agricultural, education, community and social services and housing sectors, in a manner that informs and enhances healthy public policy and public health planning, evaluation and action

e) to undertake, promote and co-ordinate public health research in co-operation with academic and research experts as well as the community

f) to provide education and professional development for public health professionals, scientists, researchers and policy-makers across sectors

g) to establish, operate and maintain laboratory centres and to provide laboratory services

h) to serve as a model for bridging the areas of infection control and occupational health and safety

i) to undertake research related to evaluating the modes of transmission of febrile respiratory illnesses and the risk to health workers

j) as directed by the chief medical officer of health, to provide scientific and technical advice and operational support to any person or entity in an emergency or outbreak situation that has health implications

k) any additional objects the lieutenant governor-in-council may prescribe

Financial performance

Basis of accounting

As a new Ontario agency, OAHPP is required to report its financial results in accordance with accounting principles for governments as established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

Transactions included in financial statements

Effective December 15, 2008, with the finalization of its Funding Accountability Agreement with the Ministry of Health and Long-Term Care and the establishment of its own business systems, OAHPP began to receive a transfer payment funding allocation from the ministry for the transferred public health laboratories program, and a second allocation for its other public health programs, including start-up activities. Prior to that date, financial transactions were processed by the Ontario government on behalf of OAHPP.

OAHPP's financial statements for the year ended March 31, 2009 include the transactions of its public health laboratories program from December 15, 2008, the date of the Ontario Public Health Laboratories transfer to OAHPP from the Ministry of Health and Long-Term Care. The transactions for its other public health programs and start-up requirements are included from April 1, 2008, including those transactions processed by the Ontario government.

Financial results

OAHPP ended the year in a virtual break even position, with total revenues offsetting total operating and capital expenditures. While the public health laboratories program was managed carefully, its revenue allocation for the three and a half months it operated as an OAHPP program was insufficient. The public health laboratories program shortfall was offset by a surplus of OAHPP's other program revenue over the related operating and capital expenditures. Savings were realized in the other programs as a result of the timing of recruitment of program and administrative leadership and prudent fiscal management. Going forward, OAHPP will not be able to realize such savings from its other programs to support the clinical operations of its laboratories.

Operating surplus

Under PSAB accounting principles, OAHPP's revenues include the Ministry of Health and Long-Term Care's contribution of laboratory equipment at its estimated fair value as well as the amounts used to purchase equipment and other capital purchases to set up its new offices. The related expenditures are capitalized as assets, and amortized over their estimated useful lives. Almost all the operating surplus is the result of recognizing all this revenue in the year, while the related capital asset amortization expense will be recognized over the estimated useful lives of the acquired assets.

In contrast, under generally accepted accounting principles in the CICA Handbook – Accounting, this revenue would have been recorded as deferred capital contributions and recognized as revenue on the same basis as the acquired capital assets were expensed.

Generally accepted accounting principles (GAAP) comparison

OAHPP's full audited financial statements, presented in accordance with PSAB, are included in this annual report. Since many other government agencies, boards and commissions, as well as non-profit organizations use the CICA standards, a comparison of OAHPP's statements of operations and financial position presented under PSAB and CICA standards has been included in the tables that follow.

STATEMENT OF OPERATIONS

Year ended March 31, 2009

000's	PSAB (audited) $	CICA (unaudited) $
REVENUE		
Ministry of Health and Long-Term Care	43,475	35,835
Other grants	222	222
Public health laboratories transferred capital assets	6,521	—
Miscellaneous recoveries	231	231
Amortization of deferred capital contributions	—	1,373
	50,449	37661
EXPENSES	37,400	37,400
Operating surplus	13,049	261

STATEMENT OF FINANCIAL POSITION

As at March 31, 2009

000's	PSAB (audited) $	CICA (unaudited) $
Financial assets	18,979	18,979
Prepaid expenses	—	592
Capital assets, net	—	12,788
	18,979	32,359
Liabilities	19,310	19,310
Net debt	(331)	—
Deferred capital contributions	—	12,788
		32,098
Non-financial assets		
Prepaid expenses	592	—
Capital assets, net	12,788	—
	13,380	—
Accumulated surplus/net assets	13,049	261

Ontario
Agency for Health
Protection and Promotion

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Management responsibility report

The Ontario Agency for Health Protection and Promotion (OAHPP) management is responsible for preparing the accompanying financial statements in conformity with Canadian generally accepted accounting principles for government as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

In preparing these financial statements, management selects appropriate accounting policies and uses its judgement and best estimates to report events and transactions as they occur. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. Financial data included throughout this annual report is prepared on a basis consistent with that of the financial statements.

OAHPP maintains a system of internal accounting controls designed to provide reasonable assurance, at a reasonable cost, that assets are safeguarded and that transactions are executed and recorded in accordance with OAHPP policies for doing business.

The Board of Directors is responsible for ensuring that management fulfils its responsibility for financial reporting and internal control, and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors carries out this responsibility principally through its Audit and Finance Standing Committee. The committee meets at least four times annually to review audited and unaudited financial information. Ernst & Young LLP has full and free access to the Audit and Finance Standing Committee.

Management acknowledges its responsibility to provide financial information that is representative of OAHPP operations, is consistent and reliable, and is relevant for the informed evaluation of OAHPP activities.

Vivek Goel
President and Chief Executive Officer

Norman Rees, CA
Chief Financial Officer

June 12, 2009

Financial statements

Ontario Agency for Health Protection and Promotion – March 31, 2009

Auditors' report

To the Members of

Ontario Agency for Health Protection and Promotion

We have audited the statement of financial position of **Ontario Agency for Health Protection and Promotion** as at March 31, 2009 and the statements of operations and changes in accumulated surplus, changes in net debt and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Toronto, Canada,
June 12, 2009.

Chartered Accountants
Licensed Public Accountants

Ontario Agency for Health Protection and Promotion

STATEMENT OF FINANCIAL POSITION

[in thousands of dollars]

As at March 31

	2009 $
FINANCIAL ASSETS	
Cash	11,012
Restricted cash *[note 4]*	7,734
Accounts receivable	233
	18,979
LIABILITIES	
Accounts payable and accrued liabilities	12,702
Accrued benefit liability *[note 8]*	4,831
Deferred revenue – severance credits *[note 6]*	1,483
Deferred revenue – restricted funds *[note 7]*	153
Deferred revenue – other	141
	19,310
Net debt	(331)
NON-FINANCIAL ASSETS	
Prepaid expenses	592
Capital assets, net [note 5]	**12,788**
	13,380
Accumulated surplus	**13,049**

Commitments and contingencies *[note 11]*

See accompanying notes

On behalf of the Board:

Director Director

Ontario Agency for Health Protection and Promotion

STATEMENT OF OPERATIONS AND CHANGES IN ACCUMULATED SURPLUS

[in thousands of dollars]

Year ended March 31

	2009	
	Budget [unaudited]	**Actual**
	$	$
REVENUE		
Ministry of Health and Long-Term Care	43,616	43,475
Other grants	222	222
Public health laboratories transferred capital assets [note 2]	7,000	6,521
Miscellaneous recoveries	53	231
	50,891	50,449
EXPENSES *[note 10]*		
Public health laboratory program	21,500	24,174
Other public health programs	3,200	2,381
General and administration, including start-up	12,000	10,845
	36,700	37,400
Operating surplus	14,191	13,049
Accumulated surplus, beginning of year	—	—
Accumulated surplus, end of year	14,191	13,049

See accompanying notes

Ontario Agency for Health Protection and Promotion

STATEMENT OF CHANGES IN NET DEBT

[in thousands of dollars]

Year ended March 31

	2009	
	Budget [unaudited] $	**Actual** $
Operating surplus	14,191	**13,049**
Acquisition of capital assets		
Purchased	(7,843)	**(7,640)**
Transferred	(7,000)	**(6,521)**
Amortization of capital assets	—	**1,373**
Increase in prepaid expenses	—	**(592)**
Increase in net debt	(652)	**(331)**
Net debt, beginning of year		
Net debt, end of year	(652)	**(331)**

See accompanying notes

Ontario Agency for Health Protection and Promotion

STATEMENT OF CASH FLOWS

[in thousands of dollars]

Year ended March 31

	2009 $
OPERATING TRANSACTIONS	
Operating surplus	13,049
Add (deduct) items not affecting cash	
Public health laboratories transferred capital assets	(6,521)
Amortization of capital assets	1,373
	7,901
Changes in non-cash operating items	
Increase in accounts receivable	(233)
Increase in accrued benefit liability	4,831
Increase in deferred revenue – severance credits	1,483
Increase in deferred revenue – restricted funds	153
Increase in deferred revenue – other	141
Increase in accounts payable and accrued liabilities	12,702
Increase in prepaid expenses	(592)
Increase in restricted cash	(7,734)
Cash provided by operating transactions	18,652
CAPITAL TRANSACTIONS	
Acquisition of purchased capital assets	(7,640)
Cash applied to capital transactions	(7,640)
Net increase in cash during the year	11,012
Cash, beginning of year	—
Cash, end of year	11,012

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

March 31, 2009

1. DESCRIPTION OF THE ORGANIZATION

Ontario Agency for Health Protection and Promotion ["OAHPP"] was established under the Ontario Agency for Health Protection and Promotion Act, 2007 as a corporation without share capital. OAHPP's mandate is to enhance the protection and promotion of the health of Ontarians, contribute to efforts to reduce health inequities, provide scientific and technical advice and support to those working across sectors to protect and improve the health of Ontarians and to carry out and support activities such as population health assessment, public health research, surveillance, epidemiology, planning and evaluation.

OAHPP was incorporated effective June 4, 2007. From this date to March 31, 2008, OAHPP's operations were managed by the Province of Ontario. These financial statements include the results of operations of OAHPP commencing April 1, 2008.

Under the Ontario Agency for Health Protection and Promotion Act, 2007, OAHPP is primarily funded by the Province of Ontario.

2. TRANSFER OF THE PUBLIC HEALTH LABORATORIES

Pursuant to the Transfer Agreement dated November 25, 2008 with the Ministry of Health and Long-Term Care ["MOHLTC"] [the "Laboratories Transfer Agreement"], Ontario's public health laboratories ["PHL"] were transferred to OAHPP effective December 15, 2008. These financial statements include financial transactions of the laboratories commencing December 15, 2008.

The Laboratories Transfer Agreement provided for the transfer to OAHPP of the:

- operations of the 12 public health laboratories;
- employees, with their existing collective agreements;
- equipment; and
- supply and other contracts.

As a result of this transfer, the transferred capital assets were recorded at their estimated fair market value of $6,521 as of the date of transfer [note 5] with the offset recorded as PHL transferred capital assets revenue in the statement of operations and changes in accumulated surplus.

The MOHLTC provided OAHPP with funding of $7,618 related to the liability assumed by OAHPP in connection with severance [note 6] and other credits (primarily accrued vacation pay) related to transferred employees. These funds were recorded as restricted cash [note 4]. The Laboratories Transfer Agreement provides for the drawdown of the funds when transferred employees cease employment with OAHPP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board ["PSAB"] of the Canadian Institute of Chartered Accountants.

Revenue recognition

Unrestricted contributions, which include transfers from MOHLTC, are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions, which include transfers from MOHLTC, are recognized as revenue in the period in which the related expenses are incurred.

Revenue from other sources is recognized when the goods have been sold or when the services have been rendered.

Capital assets

Capital assets are recorded at acquisition cost. Contributed capital assets are recorded at fair market value at date of contribution. Amortization is provided on a straight-line basis based upon the estimated useful service lives of the assets as follows:

Building service equipment	5-30 years
Other equipment	5-10 years
Furniture	5-20 years
Leasehold improvements	Over the term of the lease

Inventory and other supplies held for consumption

Inventory and other supplies held for consumption are expensed when acquired.

Employee future benefits

Contributions to multi-employer, defined benefit pension plans are expensed when contributions are due.

Other employee future benefits are non-pension benefits that are provided to certain employees and are accrued as the employees render the service necessary to earn these future benefits. The cost of these future benefits is actuarially determined using the projected unit credit method, prorated on service and management's best estimate of expected salary escalation and retirement ages of employees. Net actuarial gains and losses related to the employee future benefits are amortized over the average remaining service life of the related employee group. Employee future benefit liabilities are discounted using the average interest cost for the Province of Ontario's net new debt obligations over fiscal 2009 with maturities that correspond to the duration of the liability.

Foreign currency translation

Revenue and expenses denominated in foreign currencies are translated into Canadian dollars at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at year end. Gains or losses arising from translations of short-term monetary assets are included in the statement of operations.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

4. RESTRICTED CASH

[a] Restricted cash consists of the following:

	2009 $
Ministry of Health and Long-Term Care *[note 6]*	7,581
Sheela Basrur Centre *[note 7]*	153
	7,734

[b] The continuity of the MOHLTC restricted cash is as follows:

	2009		
	Severance credits $	Other credits $	Total $
Restricted cash received	6,250	1,368	7,618
Restricted cash draw down	(31)	(6)	(37)
Restricted cash at March 31, 2009	6,219	1,362	7,581

5. CAPITAL ASSETS

Capital assets consist of the following:

			2009
	Cost $	Accumulated amortization $	Net book value $
Building service equipment	335	17	318
Other equipment	9,705	1,004	8,701
Furniture	1,098	110	988
Leasehold improvements	3,023	242	2,781
	14,161	1,373	12,788

6. DEFERRED REVENUE - SEVERANCE CREDITS

Deferred revenue – severance credits represents the difference between the restricted cash held for severance credits and the portion of the accrued benefit liability associated with service prior to the transfer of employees of the laboratories to OAHPP [note 8[b]].

7. DEFERRED REVENUE – RESTRICTED FUNDS

Deferred revenue – restricted funds represent unspent externally restricted grants and donations in support of OAHPP objects. The balance of $153 represents unspent funds held by OAHPP restricted for the Sheela Basrur Centre ["the Centre"] outreach programs. In addition to these funds, $156 is held by the Toronto Community Foundation for the benefit of the Centre and its programs.

Named after the late Dr. Sheela Basrur, a former Chief Medical Officer of Health for the Province of Ontario, the Centre was created to become a prominent provider of public health education and training.

8. EMPLOYEE FUTURE BENEFIT PLANS

[a] Multi-employer pension plan

Certain employees of OAHPP are members of the Ontario Public Service Employees Union ["OPSEU"] Pension Plan, the Hospitals of Ontario Pension Plan ["HOOPP"] or the Ontario Public Service Pension Plan ["PSPP"], which are multi-employer, defined benefit pension plans. These pension plans are accounted for as defined contribution plans. OAHPP contributions to the OPSEU Pension Plan, HOOPP and PSPP during the year amounted to $480, $199 and $92, respectively, and are included in expenses in the statement of operations.

[b] Severance credits

OAHPP assumed the non-pension post-employment defined benefit plan from the Government of Ontario as part of the PHL transfer. These defined benefit plans include a benefit of one week of salary for each year of service (to a maximum of half of an employee's annual salary) payable to certain employees upon termination or retirement from OAHPP. The latest actuarial valuation for the non-pension post-retirement defined benefit plan was performed as of December 15, 2008. OAHPP measures its accrued benefit obligation for accounting purposes as at March 31 of each year.

The accrued benefit liability as at March 31, 2009 is calculated as follows:

	2009 $
Accrued benefit obligation at December 15, 2008	4,672
Expense from December 15, 2008 to March 31, 2009	190
Benefits paid from December 15, 2008 to March 31, 2009 *[note 4[b]]*	(31)
Accrued benefit liability at March 31, 2009	**4,831**

The significant actuarial assumptions adopted in measuring OAHPP's accrued benefit obligation and expense are as follows:

	2009 %
Discount rate	5.30
Rate of compensation increase	3.50
Rate of inflation	2.50

9. BUDGET FIGURES

The budget figures are based on the approved MOHLTC transfer payments by program, with the expenses adjusted for the funding for purchased capital asset acquisitions.

10. EXPENSES BY OBJECT

The expenses by object are as follows:

	2009 $
Salaries and wages	**15,184**
Employee benefits *[note 8]*	**2,679**
Transportation and communication	**797**
Services	**9,638**
Supplies and minor equipment	**7,729**
Amortization of capital assets	**1,373**
	37,400

11. COMMITMENTS AND CONTINGENCIES

[a] Under the Laboratories Transfer Agreement, MOHLTC is responsible for all obligations and liabilities in respect of the public health laboratories that existed as at the transfer date or which may arise thereafter and have a cause of action that existed prior to the transfer date.

[b] OAHPP is a member of the Healthcare Insurance Reciprocal of Canada ["HIROC"]. HIROC is a pooling of the liability insurance risks of its members. All members of the pool pay annual deposit premiums which are actuarially determined and are expensed in the current year. These premiums are subject to further assessment for experience gains and losses, by the pool, for prior years in which OAHPP participated. To March 31, 2009, no assessments have been received.

[c] The committed future minimum annual payments under operating leases consist of the following:

	$
2010	7,930
2011	8,320
2012	8,181
2013	1,565
2014	1,163
Thereafter	3,264

Our Board of Directors

CHAIR

Dr. David M.C. Walker
June 27, 2007 to June 26, 2008; June 27, 2008 to June 26, 2011

VICE-CHAIR

Dr. Terrence Sullivan
July 25, 2007 to July 24, 2008; July 25, 2008 to July 24, 2011

MEMBERS

Dr. Michael Christian
June 27, 2007 to June 26, 2008; June 27, 2008 to September 26, 2008

Dr. Richard Massé
June 27, 2007 to June 26, 2008; June 27, 2008 to June 26, 2011

Dr. Alan H. Meek
August 12, 2008 to September 9, 2009

Dr. Liana Nolan
July 25, 2007 to July 24, 2008; July 25, 2008 to July 24, 2011

Judith Tompkins
July 25, 2007 to July 24, 2008; July 25, 2008 to July 24, 2011

Ronald H. Yamada
August 12, 2008 to August 11, 2010

The following members of the Board of Directors were approved by orders-in-council during the first quarter of 2009-10:

Warren Law
May 6, 2009 to May 5, 2012

Pierre Richard
May 6, 2009 to May 5, 2012

Janet Hatcher Roberts
May 6, 2009 to May 5, 2012

Carole A. Weir
May 6, 2009 to May 5, 2012

Ontario

Agency for Health
Protection and Promotion

Agence de protection et
de promotion de la santé

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